



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Voluntary Report - public distribution

Date: 1/23/2009

GAIN Report Number: IN9011

India

Grain and Feed

Rice Exports Developments

2009

Approved by:

Holly Higgins
U.S. Embassy

Prepared by:

A. Govindan

Report Highlights:

On January 20, 2009, a Ministerial Committee of the government decided to abolish the export duty of Rs. 8,000 (\$163) per ton applicable to basmati rice and to lower the minimum export price by \$100 per to \$1,100 per ton. The government has also permitted exports of 55,000 tons of non-basmati rice to some African countries subject to various conditions.

Includes PSD Changes: No
Includes Trade Matrix: No
Trade Report
New Delhi [IN1]
[IN]

Basmati Export Restrictions Relaxed

Concerned over the diminishing global demand for Indian basmati rice in the face of stiff competition from lower priced Pakistani origin basmati rice, a Ministerial Committee of the government has decided to abolish the export duty of Rs. 8,000 (\$163) per ton applicable to basmati rice and to lower the minimum export price (MEP) by \$100 per to \$1,100 per ton.

On April 29, 2008, the GOI imposed an export duty of Rs. 8,000 per ton on basmati rice, on top of the MEP of \$1,200 per ton established on April 1, 2008. However, following the decline in global rice prices and stiff competition posed by cheaper Pakistani basmati rice, Indian basmati rice exporters have reported a significant decline in export orders for basmati rice from traditional buyers such as Saudi Arabia and Europe this marketing season. Furthermore, over 60,000 tons of export cargos were reportedly held up at various ports when importers wanted to renegotiate the price, further adding to Indian exporter woes.

Although rice exporters were generally happy about the government measures to support exports, they are not pleased with the revised MEP of \$1,100 per ton, which they consider is too high to make Indian rice competitive vis-à-vis Pakistani basmati priced at around \$800 per ton.

Concerns about food price inflation prompted the Indian government to impose various restrictions on rice exports, both basmati and non-basmati, over the past fifteen months. Export conditions for both non-basmati and basmati rice have undergone several changes during this period, which created uncertainty among Indian rice traders and affected the competitiveness of Indian basmati rice in the global market. The following table shows the chronology of Indian rice export restrictions:

Effective Date	Restriction
October 9, 2007	GOI bans export of non-basmati rice; exports under food aid programs exempted from the ban.
October 31, 2007	The export ban is replaced by a minimum export price (MEP) of \$425 per ton FOB
December 27, 2007	MEP on non-basmati rice increased to \$500 per ton
March 5, 2008	MEP on non-basmati rice hiked to \$650 per ton; MEP on basmati rice established at \$950 per ton.
March 17, 2008	Basmati rice exports restricted to Mundra and Pipavav ports only.
March 27, 2008	MEP on non-basmati rice hiked to \$1,000 per ton; MEP on basmati rice hiked to \$1,100 per ton.
April 1, 2008	Non-basmati rice exports completely banned; MEP on basmati rice hiked to \$1,200 per ton. Basmati rice exports restricted to the ports of Kandla, Kakinada, Kolkata, JNPT Mumbai, Mundra, and Pipavav.
April 29, 2008	An export tax of Rs. 8,000 per ton imposed on basmati rice.
January 20, 2009	Export tax abolished and MEP reduced to \$1,100 per ton.

Limited non-basmati rice exports permitted

Through an official notification dated January 16, 2009, the GOI has permitted exports of 55,000 tons of non-basmati rice to various African countries (15,000 tons to Nigeria, 15,000 tons to Senegal, 15,000 to Ghana, and 10,000 tons to Cameron) through the State Trading Corporation of India, subject to various conditions (See: <http://164.100.9.245/exim/2000/not/not08/not8008.htm>). With this exception, ban on non basmati rice export continues.

CY 2008 Rice Exports

Based on preliminary official trade data, India's CY 2008 rice exports through September totaled close to three million tons. With some additional shipments of basmati rice during the fourth quarter, exports could reach around 3.3 million tons compared to 6.3 million tons in CY 2007. The following tables show rice exports by month, destination, and type during January through September 2008.

India: Exports of basmati rice (metric ton)

Basmati	Jan'08	Feb'08	Mar'08	Apr'08	May'08	Jun'08	Jul'08	Aug'08	Sep'08	Jan-Sep'08
Australia	447	224	201	693	733	602	475	238	172	3,785
Bahrain	369	394	165	117	282	50	239	166	280	2,062
Bangladesh	0	0	2,275	0	10	0	0	0	84	2,369
Belgium	2,532	494	1,135	1,815	1,655	0	335	248	890	9,104
Cameroon	0	0	0	40	0	0	0	0	0	40
Canada	872	1,172	1,551	550	991	975	2,465	1,736	972	11,284
Congo	0	0	0	0	0	0	0	44	19	63
Cote D' Ivories	0	0	18	0	0	0	0	0	5	23
Djibouti	0	0	0	0	16	0	0	0	0	16
France	582	445	46	20	0	86	0	33	0	1,212
Germany	3,421	1,139	747	462	95	265	211	205	0	6,545
Guinea	12	0	0	0	0	0	2	0	98	112
Italy	3,092	1,316	148	392	334	704	284	15	20	6,305
Kenya	0	55	0	40	0	311	40	125		571
Kuwait	5,274	4,885	26,939	21,932	20,022	13,856	12,140	1,823	12,682	119,553
Liberia	0	1	1	0	0	1	0	101	0	104
Malaysia	0	0	0	0	0	0	30	7	0	37
Mauritius	769	451	272	1,459	759	1,092	489	271	385	5,947
Mozambique	0	62	0	69	48	27	41	4	0	251
Netherlands	4,260	1,549	516	2,416	3,717	696	434	97	978	14,663
Nigeria	0	14	29	42	125	729	31	0	5	975
Oman	324	679	594	458	1,300	489	773	801	6,018	11,436
Qatar	363	995	1,022	1,342	1,345	1,230	951	992	592	8,832
Saudi Arabia	59,887	68,320	101,184	101,284	31,337	55,186	43,731	19,475	40,939	521,343
Senegal	0	0	0	0	0	0	0	0	0	0
Singapore	301	80	58	112	707	77	209	560	352	2,456
Somalia	0	0	0	0	0	0	0	0	50	50
South Africa	49	66	86	378	130	430	740	123	30	2,032
Sri Lanka	332	0	0	0	0	0	0	0	0	332
Sweden	0	65	82	23	226	106	0	23	21	546
UAE	12,357	14,355	8,139	15,307	43,097	40,503	15,644	19,773	40,542	209,717
UK	7,160	11,681	6,986	7,024	3,336	1,071	2,257	4,500	2,696	46,711
USA	2,050	1,233	2,651	3,073	2,682	3,253	3,475	2,563	1,837	22,817
Yemen	4,954	2,947	2,318	4,907	0	3,679	0	235	643	19,683
Other	8,037	4,151	4,339	6,200	12,372	5,553	6,112	4,346	5,406	56,516
Total	117,444	116,773	161,502	170,155	125,319	130,971	91,108	58,504	115,716	1,087,492
Cumulative Total	117,444	234,217	395,719	565,874	691,193	822,164	913,272	971,776	1,087,492	

India: Exports of non-basmati rice (metric ton)

Non-basmati	Jan'08	Feb'08	Mar'08	Apr'08	May'08	Jun'08	Jul'08	Aug'08	Sep'08	Jan-Sep'08
Australia	265	440	176	24	2	5	12	0	0	924
Bahrain	1,503	1,056	1,480	4	2	0	23	10	0	4,078
Bangladesh	309,416	137,035	147,382	76,722	74,062	71,105	168,213	117,411	57,022	1,158,368
Belgium	305	72	140	2,400	0	4	0	0	195	3,116
Cameroon	15,000	0	0	0	0	0	0	450	0	15,450
Canada	275	209	163	11	10	0	23	0	17	708
Congo	0	2	0	0	0	0	0	0	0	2
Cote D' Ivories	8,500	120	24	0	1,950	100	0	0	0	10,694
Djibouti	7,920	11,174	1,261	500	1,191	750	0	0	0	22,796
France	120	130	35	0	0	0	0	0	0	285
Germany	1,147	98	26	0	0	0	0	0	51	1,322
Guinea	0	0	962	0	0	0	0	0	1,750	2,712
Italy	1,020	1,714	320	0	485	0	0	0	0	3,539
Kenya	4,401	6,823	1,180	0	2	0	0	3	1	12,410
Kuwait	2,930	5,638	3,226	85	0	0	10	0	0	11,889
Liberia	0	48	0	0	725	0	0	0	0	773
Malaysia	777	0	345	4	0	1	679	0	0	1,806
Mauritius	625	164	35	0	0	0	0	0	1,250	2,074
Mozambique	0	0	5	0	4	0	0	0	0	9
Netherlands	569	0	317	0	0	0	0	0	437	1,323
Nigeria	42,750	0	0	0	0	22,023	0	90	0	64,863
Oman	1,319	0	735	22	0	0	0	0	0	2,076
Qatar	4,088	2,197	1,993	70	0	0	0	0	5	8,353
Saudi Arabia	20,497	32,253	16,285	250	35	2	6	22	15	69,365
Senegal	0	1,373	1,359	1,449	1,075	0	0	0	0	5,256
Singapore	4,285	2,897	1,075	19	2	0	13	12	2	8,305
Somalia	7,203	11,879	9,044	0	250	0	225	0	0	28,601
South Africa	5,958	14,032	8,667	7	0	0	0	0	0	28,664
Sri Lanka	23,729	8,402	485	76	875	1,972	1,722	275	4,125	41,661
Sweden	0	455	60	0	0	0	0	0	0	515
UAE	39,597	34,087	58,965	0	16	3,720	0	0	0	136,385
UK	966	1,966	1,617	5,210	2	18	653	0	0	10,432
USA	1,929	2,187	1,798	25	122	17	81	14	8	6,181
Yemen	2,748	4,821	2,787		1,000	0	72	300	0	11,728
Other	33,026	17,758	28,810	26,771	11,401	15,847	38,224	37,457	20,096	229,390
Total	542,868	299,030	290,757	113,649	93,211	115,564	209,956	156,044	84,974	1,906,053

India: Exports of all rice (metric ton)

TOTAL	Jan'08	Feb'08	Mar'08	Apr'08	May'08	Jun'08	Jul'08	Aug'08	Sep'08	Jan-Sep'08
Australia	712	664	377	717	735	607	487	238	172	4,709
Bahrain	1,872	1,450	1,645	121	284	50	262	176	280	6,140
Bangladesh	309,416	137,035	149,657	76,722	74,072	71,105	168,213	117,411	57,106	1,160,737
Belgium	2,837	566	1,275	4,215	1,655	4	335	248	1,085	12,220
Cameroon	15,000	0	0	40	0	0	0	450	0	15,490
Canada	1,147	1,381	1,714	561	1,001	975	2,488	1,736	989	11,992
Congo	0	2	0	0	0	0	0	44	19	65
Cote D' Ivories	8,500	120	42	0	1,950	100	0	0	5	10,717
Djibouti	7,920	11,174	1,261	500	1,207	750	0	0	0	22,812
France	702	575	81	20	0	86	0	33	0	1,497
Germany	4,568	1,237	773	462	95	265	211	205	51	7,867
Guinea	12	0	962	0	0	0	2	0	1,848	2,824
Italy	4,112	3,030	468	392	819	704	284	15	20	9,844
Kenya	4,401	6,878	1,180	40	2	311	40	128	1	12,981
Kuwait	8,204	10,523	30,165	22,017	20,022	13,856	12,150	1,823	12,682	131,442
Liberia	0	49	1	0	725	1	0	101	0	877
Malaysia	777	0	345	4	0	1	709	7	0	1,843
Mauritius	1,394	615	307	1,459	759	1,092	489	271	1,635	8,021
Mozambique	0	62	5	69	52	27	41	4	0	260
Netherlands	4,829	1,549	833	2,416	3,717	696	434	97	1,415	15,986
Nigeria	42,750	14	29	42	125	22,752	31	90	5	65,838
Oman	1,643	679	1,329	480	1,300	489	773	801	6,018	13,512
Qatar	4,451	3,192	3,015	1,412	1,345	1,230	951	992	597	17,185
Saudi Arabia	80,384	100,573	117,469	101,534	31,372	55,188	43,737	19,497	40,954	590,708
Senegal	0	1,373	1,359	1,449	1,075	0	0	0	0	5,256
Singapore	4,586	2,977	1,133	131	709	77	222	572	354	10,761
Somalia	7,203	11,879	9,044	0	250	0	225	0	50	28,651
South Africa	6,007	14,098	8,753	385	130	430	740	123	30	30,696
Sri Lanka	24,061	8,402	485	76	875	1,972	1,722	275	4,125	41,993
Sweden	0	520	142	23	226	106	0	23	21	1,061
UAE	51,954	48,442	67,104	15,307	43,113	44,223	15,644	19,773	40,542	346,102
UK	8,126	13,647	8,603	12,234	3,338	1,089	2,910	4,500	2,696	57,143
USA	3,979	3,420	4,449	3,098	2,804	3,270	3,556	2,577	1,845	28,998
Yemen	7,702	7,768	5,105	4,907	1,000	3,679	72	535	643	31,411
Other	41,063	21,909	33,149	32,971	23,773	21,400	44,336	41,803	25,502	285,906
Total	660,312	415,803	452,259	283,804	218,530	246,535	301,064	214,548	200,690	2,993,545
Cumulative	660,312	1,076,115	1,528,374	1,812,178	2,030,708	2,277,243	2,578,307	2,792,855	2,993,545	
Source: Foreign Trade Statistics of India (Principal Commodities & Countries)										
Directorate General of Commercial Intelligence & Statistics, Government of India										